

**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113  
Sacramento, CA

Minutes of Meeting  
September 21, 2006

**COMMISSIONERS PRESENT**

Cathie Bennett Warner, Chair  
Michele Burton, M.P.H.  
Diane Griffiths  
Teresa P. Hughes  
Vicki Marti  
Nancy McFadden

**CMAC STAFF PRESENT**

Keith Berger, Executive Director  
Enid Barnes  
Tacia Carroll  
Paul Cerles  
Denise DeTrano  
Holland Golec  
Katie Knudson  
Marilyn Nishikawa  
Becky Swol  
Michael Tagupa  
Mervin Tamai  
Karen Thalhammer  
Steve Soto

**EX-OFFICIO MEMBERS PRESENT**

Toby Douglas, Department of Health Services  
Thomas Williams, Department of Finance

**I. Call to Order**

The September 21, 2006 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Cathie Bennett Warner. A quorum was present.

**II. Approval of Minutes**

The September 7, 2006 meeting minutes were approved as prepared by CMAC staff.

### **III. Executive Director's Report**

Keith Berger, Executive Director, began his report by introducing Thomas Williams, from the Department of Finance. He took the place of Bob Sands, and will be regularly attending CMAC meetings.

Mr. Berger said he would keep his comments short, in lieu of a full agenda for the meeting's closed session.

Mr. Berger informed the Commissioners that there were 70 amendments before them for review and action today. He also said there were a number of negotiation updates and several important discussions regarding current negotiations and strategies.

Regarding the Private Hospital Supplemental Fund, Mr. Berger said CMAC staff has made significant progress on implementation of Round 2A. With the recent release of the FY2006-07 Tentative DSH List, Mr. Berger said, CMAC staff was able to begin finalizing negotiations with those hospitals meeting the initial eligibility criteria. He noted that most of the amendments would be before the Commissioners for action over the next couple of meetings.

Mr. Berger indicated that the final determination of a hospital's eligibility for payments in Round 2 will take place once the FY2006-07 Final DSH List is published by California Department of Health Services (CDHS) later in the fiscal year. At that time, he said, CMAC would be in a position to administer Round 2B of the Private Hospital Supplemental Fund and the Nondesignated Public Hospital Supplemental Fund.

Mr. Berger concluded his report by noting that the Commissioners were provided with a copy of a draft of the Request for Application (RFA) for the Healthcare Coverage Initiative which is a component of the SB 1115 demonstration waiver and now is required by recently enacted state legislation SB 1448. He said it also had been released to a large group of stakeholders for their comments and input, which are due by Monday, September 25. Mr. Berger indicated that if any of the Commissioners had any comments on the draft, they could submit them in writing or email, and that Toby Douglas would probably be willing to take comments back with him to CDHS as well. Mr. Berger asked Mr. Douglas if he would like to share any additional information regarding this issue.

### **IV. Department of Health Services (CDHS) Report**

Toby Douglas, Assistant Deputy Director, Medical Care Services, CDHS, began his report by continuing the Health Care Coverage Initiative discussion. Mr. Douglas confirmed that CDHS would be accepting comments until September 27, an extension of two days beyond the September 25 due date in the original cover letter. He wanted to make it clear that this was only a draft, and closely follows SB 1448, which clearly explains how CDHS would distribute funds.

Mr. Douglas said that CDHS is expecting comments regarding the evaluation process for the applications, certified public expenditures, and the distribution of funds across the state. He noted that one intent of SB 1448 is to insure that at least five grants are awarded and distributed across the state.

Commissioner Griffiths asked Mr. Douglas to give her general knowledge of who will be happy and who will be unhappy with this proposed RFA. She also wanted to know if there were opponents of SB 1448 when it originally went to the Governor.

Mr. Douglas answered by saying that since this proposed RFA was so closely based on SB 1448, CDHS did not expect to see any major opposition to it. He said it would have happened when SB 1448 was going through the legislation process. Mr. Douglas added that there was no vocal opposition to SB 1448 then, just questions regarding the requirement for a broad network of providers.

Mr. Douglas continued his report by updating CMAC about the other components of the Deficit Reduction Act (other than the citizenship requirement, which Mr. Douglas had mentioned in prior meetings). He said one component of that Medicaid legislation was a transformation agreement, which will allocate \$150 million over 2 years from Centers for Medicare & Medicaid Services (CMS) to state Medicaid agencies in an initiative to drive down costs and improve outcomes of Medicaid programs. Mr. Douglas said CDHS has engaged various provider stakeholders in dialogue on what possible approaches could be taken to reach these goals, and will be submitting three proposals.

The first proposal focuses on working with the California Regional Health Information Organization (CalRhio) on developing an electronic health record system which provides instant clinical data, including prescriptions and lab data, and will help to ensure continuity of care. This system will be implemented by CalRhio, in three regions of the State.

The second proposal is working with the California Primary Care Association and the California Association of Public Hospitals to develop a "team-based" approach to chronic disease management within several outpatient and community clinics.

Mr. Douglas said the last proposal is that CDHS will be working with their Managed Care Plans as well as the Integrated Health Association to help develop ways to drive performance and improve efficiency among providers.

Mr. Douglas said these proposals must be submitted to CMS by October 2. He noted he was not sure how many proposals would be awarded with grants, but these three are being submitted and align most with the Administration's and CDHS's objectives.

**V. New Business/Public Comments/Adjournment**

There being no further new business and no comments from the public, Chair Cathie Bennett Warner recessed the open session. Chair Bennett Warner opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair Bennett Warner announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.